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FISCAL IMPACT STATEMENT

LS 6162

BILL NUMBER: SB 72

NOTE PREPARED: Nov 14, 2007

BILL AMENDED:

SUBJECT: PERF Annuity Savings Accounts.

FIRST AUTHOR: Sen. Kruse

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill allows a member of the Public Employees' Retirement Fund (PERF) who: (1) is vested; (2) separates from employment; (3) does not perform service in a covered position for at least 90 days; and (4) is not eligible at separation to receive a retirement benefit; to elect to withdraw the entire amount in the member's annuity savings account.

It provides that, unless the member has transferred the creditable service earned in PERF to another governmental retirement plan, a PERF member who elects to withdraw the entire amount in the member's annuity savings account is entitled to receive, when the member becomes eligible to receive a retirement benefit, a benefit equal to the pension provided by employer contributions.

(The introduced version of this bill was prepared by the Pension Management Oversight Commission.)

Effective Date: July 1, 2008.

Explanation of State Expenditures: There will be administrative and systems costs, but any costs are anticipated to be minimal. The fund affected is the Public Employees' Retirement Fund Administrative Fund.

Background Information: The state must pay the member's annuity savings account contributions for a member who is a state employee. For a member who is not a state employee, the employer is given the option of making all or part of the contributions on behalf of the member. The annuity savings account belongs to the member and not the state or the member's employer.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund.

Local Agencies Affected: Units with members in the Public Employees' Retirement Fund.

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